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LENDING

Desert Locust Swarms Threaten Algeria's Fragile Agriculture

The northern Mediterranean coast of Algeria boasts nearly 40,000 hectares of citrus orchards and irrigated vegetable crops that represent an important source of income and food for this North African country. But the fruit trees, like all of Algeria's brittle agriculture, is under threat from an invasion of insects.

After a few years' hiatus, massive swarms of locusts are back and threatening to potentially devour anything green in several countries in Africa, the Middle East and South Asia. Having spawned in the Red Sea area during the past two years, the swarms have flown in recent weeks across most of central Africa and landed in Algeria's southern desert reaches.

Faced with the potential loss of its valuable crops and economic disaster for half its 25 million people, Algeria is mobilizing to destroy the locust swarms which could soon head north towards the country's agricultural base.

Using trucks, airplanes and helicopters, Algeria is getting ready to rain down pesticides on the unwitting insects. On December 23, the World Bank approved a loan of $30 million to support the effort.

"The stakes are too high not to help Algeria out in this situation," says Charles Ameur, a senior agriculturalist in the Bank's Maghreb Department. "The $30 million loan seems like a lot of money. But it's relatively little compared with the $60 million of damage the locusts could cause even if they destroy only one percent of the country's agriculture."

Locusts Spawned in Red Sea

Locusts last invaded Algeria in 1987 and 1988 but the outbreak was very brief thanks partly to actions the government took to control the swarms. Strong winds also helped control the plague by carrying huge swarms out to the Atlantic.

But in December 1992, aided by favorable weather and poor monitoring by nearby countries, locust swarms began to breed on both sides of the Red Sea. Unlike in the past, many of the swarms grew rapidly because civil war and unrest in some of the region's countries made the spawning grounds inaccessible to groups in charge of killing off the insects. Some locust control personnel were killed while tracking swarms in volatile regions, says Ameur.

During the past year, the swarms

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P. Koen/FAO

Locusts approaching Algeria began their journey in Sudan, Yemen and other countries.

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Project Will Help Fend Off Locusts On 2.5 Million Hectares of Land

LOCUSTS, *from page 1*

gained strength. They flew some 5,000 kilometers westward from spawning grounds in Sudan, Eritrea, Yemen and Saudi Arabia to feed on vegetation in Chad, Niger, Mali, Mauritania and even as far south as northern Senegal. Another wave flew 3,000 kilometers eastward toward Pakistan and India.

Many swarms reached Mauritania where some locust control experts last month called the invasion very serious or "out of control," says Ameur. Favorable weather made it easier for the locusts to breed, and the swarms grew. Today the swarms pose a threat to Mauritania's northern neighbors, Algeria and Morocco.

M. Iannaccone

Charles Ameur

In recent months, Algeria, Morocco and some bilateral donors have assisted Mauritania in fighting the locusts by supplying it with pesticides and technical assistance. Algeria is also spearheading the Maghreb Task Force, which coordinates locust efforts among five countries. But Algeria is now focusing on fighting the locusts invading its own territory.

Algeria plans to mount its defense against the swarms by spraying pesticides in southern oases that dot the desert but mostly by attacking the insects as they reach three main passes in the Sahara Atlas mountains in the north.

In one way, Algeria offers a natural destination for the locusts because it lies at the end of a funnel of wind patterns that sweeps the swarms northwest from the Sahara. But the Atlas mountains, which separate the southern desert from more fertile northern croplands, serve as a natural barrier because of their cool climes which will slow down the locusts and make them more vulnerable to spraying.

If Algeria can stop the swarms in the mountains, it can effectively control the invasion. But if they sweep across the range, they could rapidly devastate Algeria's crops, says Ameur. The average swarm has 150 million adult locusts, and although it weighs 225 tons, it can eat 100 tons of vegetation per day.

"If they make it through the passes, it's open season on Algeria's agriculture. The fruit trees especially would suffer because locusts eat the bark. If that happens, it would take four to five years for the orchards to grow back," says Ameur.

The Bank loan will help Algeria fight the locust swarms by supplying the country with pesticides, 50 four-wheel drive vehicles, spraying equipment and money for rental of airplanes and helicopters. Consultants will train local staff in how to handle the pesticides and carry out the spraying.

Ameur points out that Algeria will be careful to protect the health of its population and environment under the plan. People will be warned of spraying, national parks will be avoided as much as possible and the pesticides used will meet strict environmental standards.

Algeria will launch three locust control campaigns with help from the loan. Up to 2.5 million hectares of land could be sprayed under the efforts in February and March of 1994, and January of 1995 if necessary. The loan will also help Algeria improve its early warning system for locust threats and will beef up the country's ability to control future invasions.

The $30 million loan marks the second time the Bank has helped Algeria fight locusts. In 1989, Algeria borrowed $58 million to fight an expected invasion but canceled $36 million because the outbreak was short-lived.

Ameur says the first project gave Algeria a chance to strengthen its locust campaigns into full-fledged, efficient operations in some parts of the country. The new project will expand the operation.

"Until this year, Algeria had one pretty good eye watching for swarms coming its way from its southern neighbors, Mali and Mauritania. But this new project will give the country a second eye and improve the vision to keep its awareness open to swarms from all directions, including those countries to the southeast like Chad and Sudan," he says.

Algeria is taking the locust threat seriously because it could cripple its fragile agricultural sector and bring down its per capita income which hovers at $1,721, down from $2,905 in 1989. Most of Algeria suffers from poor soil and scarce rainfall, leaving only 3 percent of the land usable for cultivation. Strapped by the scarcity of arable land, Algeria imports two-thirds of its staple food needs.

But despite its small size, agriculture has done well in recent years, spurred on by an ambitious reform program. While Algeria's economy grew at only 0.5 percent per year from 1985 to 1992, agriculture rolled along at an annual 5.5 percent.□

Donors Pledge $305 Million To Malawi for 1994

Representatives from seven countries and nine international organizations meeting in Paris on December 20-21 pledged $305 million to support Malawi's development efforts in 1994.

The figure includes $63 million in new pledges but leaves a financing gap of $24 million in balance of payments support. The group, though, said it expected the gap to be filled.

The representatives expressed strong support for the political transformation process in Malawi. They praised the government and all Malawians for their efforts to carry out the transition process in a peaceful and orderly manner. The donors also confirmed resumption of economic aid and financial support to Malawi in recognition of the macroeconomic policy measures undertaken in the ongoing economic adjustment process.

Recognizing that poverty remains the central issue to the country, the donors emphasized the importance of focusing more attention and resources for poverty alleviation.

The Malawi delegation confirmed its commitment to continuation of the process of political reform in the country which is to lead to the first multiparty elections scheduled for May 1994. □

READEX

South Africa and World Bank Improve Ties

Bank To Open Resident Mission

After a 28-year pause, the World Bank has moved closer toward re-engagement with South Africa with the opening of a resident mission in that country slated for April of this year.

On December 21, the Bank agreed to a proposal by the multi-party South African transitional council for establishing a resident mission. The council, which recently started regularizing the country's relations with the Bank, hopes the mission will "nurture a more structured dialogue" and assist in the challenge of economic reconstruction.

M. Iannacci

Isaac Sam

"South Africa has taken a great step forward," says Isaac Sam, who will become the Bank's first Resident Representative in South Africa in early April, just weeks before the country holds its first democratic elections.

"In the past few years, South Africa has abolished apartheid, recognized that everyone needs access to health, education and other basic public services and economic growth, and has begun focusing on the goal of reducing poverty. These are all things that the World Bank deals with, so we felt it was appropriate to respond to their initiatives. By opening this mission and embarking on the road to re-engagement, we can help South Africa reintegrate itself into the international economic community."

Sam, a Ghanaian national, has been an advisor since July 1992 in the Bank's Southern Africa Department, where he has overseen the evolution of the Bank's re-engagement with South Africa. A 19-year Bank veteran, Sam was previously Division Chief of the Infrastructure Operations Division in the Southern Africa Department.

South Africa's new links with the Bank come at an "opportune time," says Sam.

"In the past few years, the Bank has learned a lot about development and itself," he says. "It knows it needs to involve the beneficiaries of projects more to create lasting support for policy changes and to make those efforts successful. Especially in Africa, we know that we need to pay more attention to local capacity-building. Just having a nice project and letting a paid foreign consultant carry it out is no longer the way to go."

"Both participation and capacity-building are vital to South Africa's efforts at economic development. After all, South Africa is a country where the indigenous population has been denied self-rule for 350 years. Because of that, South Africans feel very strongly that they need to participate. The Bank's technical assistance will help in building the country's capacity to carry out economic reforms. After decades of being ostracized, South Africans can now see how the outside world has tackled the problems of development. By sharing our experience, we can share with South Africa the approaches that have worked."

The Bank made its seventh and last loan to South Africa in 1966. South Africa is a founding member of the Bank and is still a member.

This April's opening of the Bank's resident mission follows two years in which the institution has carried out studies on South Africa's economy and various economic sectors. During that time, the Bank also trained dozens of South Africans in economics and built up relationships with many of South Africa's economic and political actors.

When the Bank re-opened contacts with South Africa, the institution focused on helping the country reshape its future macro-economy and urban and education sectors, says Sam. But it has since expanded its work to cover industry and trade, agriculture and the rural economy,

See SOUTH AFRICA, *p.14*

Work Began Two Years Ago

The World Bank's informal work in South Africa during the past two years has taught the institution "new ways of doing business," says Isaac Sam. Instead of dealing with a unified government, the Bank deals with the entire political spectrum, including non-governmental organizations, teachers and trade unions.

When the Bank first launches a study on an economic sector, it encourages the formation of a "reference group" of broadly representative groups of South Africans. After the study is completed, the group then brings the report to workshops where all groups can critique the results. Absorbing the input of all those affected by policy proposals allows the Bank to "listen to new ways of thinking," says Sam.

So far, the Bank has produced a slew of studies and technical papers which have been brought to the workshops for comment. During fiscal 1994, the institution will complete a major study on the peformance of the South African economy and the economic policy options available to a post-apartheid government. It also plans to focus on important emerging themes like fiscal links between tiers of government, strategies for reducing poverty and efforts at creating jobs and enhancing skills.

Meanwhile, the Bank has joined a group of South African universities and other institutions to launch South Africa's first comprehensive study of the country's poverty level. The Bank's Economic Development Institute is helping South African universities carry out a three-year program in economic and project management. Also, many South Africans who are likely to be involved in key development roles are taking part in six-month internships at the Bank □

Public Information Center Opened January 3

Previously Confidential Documents Now Available to the Public

The World Bank is increasing the amount of information it makes available to the public through a new information center, which opened in Washington on January 3.

M. Iannacci

Luis Descaire

The Bank's new Public Information Center will enable the public to receive a wide range of documents about Bank-supported projects and work in member countries. The center is part of the Bank's more open information policy approved by its executive directors on August 26, 1993.

Academics, investors, non-governmental organizations and any other individuals or groups will be able to use the center, says Luis Descaire, the Bank's acting administrator for the center.

"The center will offer information about Bank-supported development projects from their infancy to completion," says Descaire. "As it grows over time, the center should be a very exciting source of information on development."

The center is located in room 1-047 of the Bank's "J" building at 701 18th St., N.W. in Washington. The center offers documents related to all projects approved by the Bank's board as of January 3. The cost for each document is $15 (see box on next page.) The center's telephone number is (202) 458-5454; fax: (202) 522-1500.

For any documents relating to projects approved before January 3, the World Bank country department in charge of the project must be contacted directly.

Journalists will be able to obtain documents free of charge through normal press channels.□

PIC Documents Available Around the World

The Washington information center will not be the only source of documents on projects.

- Anyone living in a country where a Bank resident mission is located can make the request through that office. Documents will be made available free of charge to people requesting information about projects in their own countries. Other documents can be obtained through the new center in Washington at a standard $15 charge.
- Residents of a country with no Bank field office may obtain documents on their own country free of charge through the new center in Washington. Documents on other countries carry the standard $15 charge.
- People with access to the Internet computer system will be able to tap into the World Bank's public information center and view selected documents electronically (See story below).
- The public can request documents through the Bank's London, Paris or Tokyo offices.□

Information Through the Internet

A variety of documents is available free through the Internet. Internet users can access a new World Bank information service that provides

- Project Information Documents
- Environmental Data Sheets
- World Bank publications catalogue
- An overview of the World Bank's public information system

Later in 1994, the World Bank's electronic information system will provide a larger number—as well as other types—of documents.

If you encounter problems gaining access to the World Bank's system through the Internet, send electronic mail to: **pic@worldbank.org.**

WWW Tools

Internet users accessing the Bank's information system through NCSA Mosaic or other World Wide Web navigation tools should use the following universal resource locator:

http://www.worldbank.org

Gopher Tools

For people using a gopher tool, the server address is:

gopher.worldbank.org

Documents Available through the PIC

People requesting information must ask for specific documents. The information center is unable to handle general requests for information. The public may obtain nine types of documents:

Project Information Documents (PIDs)	These include the main elements of a project before it is submitted to the World Bank's Board of Executive Directors for approval. Components of the PIDs are expected to include costs and financing, environmental and other issues, and names of government agencies that can provide information about the project.
Environmental Assessments	These documents review the potential environmental impact of individual projects. These will include issues relating to resettlement and indigenous peoples.
Environmental Assessments and Executive Summaries for IFC-Funded Projects	These are for "Category-A" projects and will be made publicly available 60 days before the date proposed for the Board of Executive Directors to consider funding the projects.
Environmental Data Sheets	These are prepared and updated quarterly for each project in the Bank's lending program.
National Environmental Action Plans	These are obtainable from the public information center when governments consent to their publication.
Staff Appraisal Reports (SARs)	The SARs will be made available after projects are approved by the Board. SARs cover the technical, institutional, economic and financial aspects of proposed projects.
Summaries of Evaluation Reports	These summaries will be prepared by the Bank's independent Operations Evaluation Department. The reports will point out lessons to be learned from a project after completion.
Country Economic and Sector Reports	These reports will systematically be made public by the Bank. The reports include information about a country's economy, particular sectors, poverty assessments, private sector assessments and public expenditure reviews.
Sectoral Policy Papers	These reports usually include information about various sectors of countries' economies. Topics include agriculture, education, and the environment.

From the Information and Public Affairs Division...

The World Bank's Information and Public Affairs Division produces several types of publications that are mainly intended for journalists but are available to anyone who requests them.

Development Essays

These monographs, each about 50 pages, use clear, concise language to delve into development issues. So far, two essays are available: *And Then Forgot to Tell Us Why...*, a report on a campaign to eradicate a debilitating disease, riverblindness, in West Africa; *The Quiet Revolutionaries*, the story of an international effort to combat hunger in developing countries. Journalists may receive review copies by writing on company letterhead to the World Bank, Office of the Publisher, Marketing Unit, Room T-8054, Washington, D.C. 20433. Fax: (202) 676-0579. Others may purchase copies through the World Bank's bookstore in Washington or through a World Bank publications distributor.

Information Briefs

These two-page documents cover a variety of topics, including how the World Bank works, how it's organized and governed, what its affiliated organizations do. For a complete list of titles, write to Information Briefs Editor, Room T-8042, 1818 H Street, N.W., Washington, D.C. 20433.

Press Releases

The World Bank produces press releases for every development project that receives financing from the institution. These are available only to news wire services that are based in the Washington, D.C. metropolitan area. Call (202) 473-1784 for more information.

Projects in Progress

These brief essays report on development projects that are being financed by the World Bank or its affiliate, the International Development Association. For a complete set of 10, write to the Projects in Progress Editor, Room T-8042, 1818 H Street, N.W., Washington, D.C. 20433.

For Questions About...	*Contact*	*Telephone**
General Institutional Issues	Tim Cullen, Chief Spokesman	473-1782
	Alan Drattell, Principal Media Officer	473-1787
Debt, Trade, Economics	Bill Brannigan, Broadcast News Officer	473-1784
Environmentally Sustainable Development (including (agriculture, transportation, water and urban development)	Hugh Blackman	473-2441
	Leandro Coronel	473-1788
	Lesley Simmons	473-1785
Finance and Private Sector Development (including industry and energy)	Eriko Ishikawa	473-1795
Human Resources Development and Operations Policy (including population, health, nutrition, and education)	Ellen Tillier	473-1790
	John Mitchell	473-2475
Poverty Issues	John Mitchell	473-2475
Africa	Eric Chinje	473-4467
East Asia and Pacific	Peter Stephens	458-0344
	Erin Burns	458-2210
Europe and Central Asia	Peter Riddleberger	473-1786
	Jan Pakulski	473-1797
Brazil, Peru, Venezuela	Antonio Pimenta-Neves	473-8722
Other Latin American, Caribbean Countries	Ciro Gamarra	473-8721
Middle East and North Africa	Abdallah Bouhabib	473-4784
	Jeannie Yamine	473-2318
South Asia	Gautam Adhikari	458-1423
International Finance Corporation	Mark Constantine	473-9331
Multilateral Investment Guarantee Agency	Lutz Halfmann	473-9289
Consultative Group for International Agricultural Research	Ernest Corea	473-8930
	Heinrich von Loesch	473-8913

**All numbers are in area code 202 in the U.S.A.*

World Bank London office	(44-71) 930-8511
World Bank Paris office	(33-1) 4069-3000
World Bank Tokyo office	(81-3) 3214-5001

The World Bank also has offices in about 60 developing countries. Staff at these offices are able to respond to some inquiries by journalists

Other Sources of Information About the World Bank's Work

Newsletters Available to the Public

The World Bank publishes numerous newsletters and other periodicals that are available to the public. A sample of titles follows:

WORLD BANK NEWS

Carries news and feature stories about the World Bank, development issues and developing countries. Frequency: Weekly. Price: Free. Subscriptions: Available only to journalists and news editors. Write to World Bank News subscription office, Room T-8032X, 1818 H Street, N.W., Washington, D.C. 20433. Fax: (202) 676-0637.

CFS LINK

Provides information on official and private cofinancing, private sector development and privatization, project finance and debt reduction. Frequency: Every other month. Price: Free. Subscriptions: Send name and address on official letterhead from your organization to Cofinancing and Financial Advisory Services, Room Q-5030, World Bank, 1818 H Street, N.W., Washington, D.C. 20433.

DEVELOPMENT BRIEFS

Informs the media, business and academic communities and government policy-makers about results from World Bank research and about analyses of development policies. Frequency: Five times a year. Price: Free. Subscriptions: Write to Evelyn Alfaro, World Bank, 1818 H Street, N.W., Room N-9-017, Washington, D.C. 20433. Note: These briefs are inserted into each issue of the World Bank Policy Research Bulletin (see description below) but are also available separately to journalists.

EDI REVIEW

Reports on the activities of the Economic Development Institute. The newsletter is intended mainly for former participants in EDI training programs. Frequency: Quarterly. Price: Free. Subscriptions: Available in English, French and Spanish. Write to the EDI Review, Room M-P1-010, 1818 H Street, N.W., Washington, D.C. 20433.

ENVIRONMENT BULLETIN

A newsletter of the World Bank's Environment Department. It reports on general environmental issues and covers initiatives launched by the Bank. Frequency: Quarterly. Price: Free. Subscriptions: Write to A. Snyder, Environment Department, Room S-5055, 1818 H Street, N.W., Washington, D.C. 20433.

ENVIRONMENT DISSEMINATION NOTES

Summaries of the latest thinking on environmental issues that are related to development. Frequency: Every two weeks, starting February 1, 1994. Price: Free. Subscriptions: J. Mason, World Bank, Room S-5-061, 1818 H Street, N.W., Washington, D.C. 20433. Tel. (202) 473-1262.

ESMAP CONNECTION

Published jointly by the United Nations Development Programme and the World Bank Energy Sector Management Assistance Programme. Covers energy issues in developing countries. Frequency: Quarterly. Price: Free. Subscriptions: Write to ESMAP, Industry and Energy Department, World Bank, 1818 H Street, N.W., Room G-2023, Washington, D.C. 20433. Tel. (202) 473-3412.

FINDINGS

Abstracts of studies and descriptions of initiatives in Africa. Frequency: Occasional. Price: Free. Subscriptions: The Editor, Findings, Room J-3-165, 1818 H Street, N.W., Washington, D.C. 20433. Tel. (202) 473-4114.

More Newsletters...

GLOBAL ENVIRONMENT FACILITY OPERATIONAL SUMMARY

A supplement to the biannual reports issued regularly by the chairman of the Global Environment Facility. Price: Free. Subscriptions:Contact Clair Poilane at the Global Environment Facility, Room S-3015, 1818 H Street, N.W., Washington, D.C. 20433. Tel. (202) 458-4695.

GLOBAL ENVIRONMENT FACILITY BULLETIN

Another supplement to the biannual reports issued regularly by the chairman of the Global Environment Facility. Price: Free. Subscriptions:Contact Clair Poilane at the Global Environment Facility, Room S-3015, 1818 H Street, N.W., Washington, D.C. 20433. Tel. (202) 458-4695.

IFC REVIEW

Published by the International Finance Corporation's Corporate Relations Unit, this newsletter describes IFC's activities and private-sector development issues of general interest. Frequency: Quarterly. Price: Free. Subscriptions: IFC Corporate Relations Unit, Room I-3144, 1850 I Street, N.W., Washington, D.C. 20433. Tel. (202) 473-7711. Fax: (202) 676-0365.

MIGANEWS

Focuses on the activities of the Multilateral Investment Guarantee Agency. It reports on contracts, new developments in the availability of coverage and new country membership. Frequency: Quarterly. Price: Free. Subscriptions: Gerald T. West, MIGA, 1818 H Street, N.W., Room H5-169, Washington, D.C. 20433. Fax: (202)-477-9885.

OUTREACH

Each issue reports on a different economic research topic, such as the effects of trade on development and the sequencing of economic reforms. Frequency: Monthly. Price: Free. Subscriptions: Write to Sushma Rajan, 1818 H Street N.W., Room N-11-053, Washington, D.C. 20433. Fax: (202) 334-0476. Internet address: SRAJAN2@Worldbank.org.

TRANSITION-THE NEWSLETTER ABOUT REFORMING ECONOMIES

Reports on and aids research about countries' transformations from command to market economies. Frequency: Monthly. Price: Free. Subscriptions: Jennifer Walker, Room N-11-023, 1818 H Street, N.W., Washington, D.C. 20433. Tel. (202) 473-7466. Fax: (202) 676-0439.

URBAN AGE

Carries news and feature stories about urban development issues. Frequency: Quarterly. Price: Free to subscribers in developing countries, $40 for subscribers in industrialized countries. Subscriptions: The Editor, Urban Age, Room S-4-031, 1818 H Street, N.W., Washington, D.C. 20433. Fax: (202) 522-3224. Available in English, French and Spanish.

WORLD BANK POLICY RESEARCH BULLETIN

Informs the development community of the Bank's policy initiatives and research. It includes descriptions of Bank publications, research summaries and lists of events. Frequency: Five times a year. Price: Free. Subscriptions: Evelyn Alfaro, Room N-9-017, Washington, D.C. 20433.

WORLD BANK REPORT TO STUDENTS

A publication intended for high school students who are concerned about developing countries. Frequency: Occasional. Price: Free. Subscriptions: The Editor, Report to Students, Room T-8020, 1818 H Street, N.W. 20433.

Note: Circulation of some newsletters may be limited. Contact each publication for details on subscriptions.

Journals, Magazines and Other Publications Available by Subscription

The World Bank publishes several academic journals, a magazine and other materials that are available to the public by subscription. Subscriptions to all of the publications mentioned below—except Finance and Development—can be obtained by writing to the World Bank, Box 7247-7956, Philadelphia, PA, 19170-7956, U.S.A. Fax: (201) 476-2197. To charge a subscription to your credit card, call (201) 476-2192.

A sample of these publications follows:

COMMODITY MARKETS AND THE DEVELOPING COUNTRIES

A review of recent developments in primary commodity markets and their likely impact on prices. Frequency: Quarterly. Price: $112.50 for year (charter rate for orders placed through March 31. After that, the subscription price is $150 a year).

FINANCE AND DEVELOPMENT

This magazine, published jointly by the World Bank and the International Monetary Fund, covers a broad range of topics related to economic development. Frequency: Quarterly. Price: Free. For airmail subscriptions, the cost is $20 a year. Published in Arabic, Chinese, English, French, German, Portuguese and Spanish. Subscriptions: Write to Subscription Services, Finance and Development, International Monetary Fund, Washington, D.C., 20431. Fax: (202) 623-4738.

FINANCIAL FLOWS AND THE DEVELOPING COUNTRIES

This publication provides access to the World Bank's timely, accurate and concise analyses of debt in developing countries and on financial flows to these countries. Frequency: Quarterly. Price: $112.50 for one year (charter rate for orders placed through March 31. After that, the subscription price is $150 a year).

INTERNATIONAL BUSINESS OPPORTUNITIES SERVICE

Provides up-to-date information about the World Bank's procurement procedures and business opportunities arising from projects financed by the institution. Frequency: As needed, usually weekly. Price: $295 a year, $530 for two years.

MONTHLY OPERATIONAL SUMMARY

This publication tracks the status of every project under consideration for financing by the World Bank. Frequency: Monthly. Price: $125 a year. The Monthly Operational Summary is provided for free to subscribers of the International Business Opportunities Service.

WORLD BANK ECONOMIC REVIEW

A professional journal that disseminates World Bank-sponsored research and emphasizes quantitative analysis. Frequency: Three times a year. Price: Individuals—$25 for one year, $46 for two years, and $65 for three years. Institutions: $45 for one year, $86 for two years, and $125 for three years.

WORLD BANK RESEARCH OBSERVER

This journal provides overview of key issues in development economies research and assumes that readers have no economics training. Frequency: Twice a year. Price: Individuals—$20 for one year, $36 for two years, and $50 for three years. Institutions—$35 for one year, $66 for two years, and $95 for three years.

From the Office of the Publisher...

The World Bank publishes hundreds of books, policy papers and monographs each year. For a free copy of the World Bank's Index of Publications, which includes prices and ordering information, contact the World Bank, Department T-8051, 1818 H Street, N.W., Washington, D.C. 20433. Fax: (202) 676-0579.

Most of the following publications can be purchased at the World Bank's bookstore in Washington or through Bank book distributors around the world. The World Bank's bookstore is located at the corner of Pennsylvania Avenue, N.W. and 18th Street, N.W. Tel. (202) 473-2941.

Journalists may receive complimentary review copies of the more recent publications listed in the Index of Publications by writing on company letterhead to the World Bank, Office of the Publisher, Marketing Unit, Room T-8054, Washington, D.C. 20433, U.S.A. □

Reports Published Annually
Some Major Titles

World Development Report—The 1993 edition of the report focused on health care in developing countries. Each year, the WDR highlights a major development topic and includes statistics on 127 developed and developing countries.

World Debt Tables—Each year, the Bank publishes comprehensive statistics on the debt burdens of developing countries and the amount of capital flowing into these countries.

Trends in Developing Economies—This book privides a description of the economic conditions in most developing countries and includes dozens of statistics that reflect income levels, living conditions, and financial status.

World Bank Atlas—The Atlas is a compact statistical reference on the economies, people and the environment in developing and developed countries (see story in this week's issue of *World Bank News*).

Social Indicators of Development— This annual reference book lists statistics that reflect living conditions in developing countries. The book includes hundreds of statistics, including information on health care and education.

Types of Publications in Print

COMMODITY WORKING PAPERS — These papers provide information on commodities that are especially important for developing countries.

COUNTRY STUDIES — Documents originally prepared for internal use as part of the World Bank's continuing analysis of the economic and related conditions of its developing member countries. These documents also assist in the Bank's dialogues with member governments.

DEVELOPMENT COMMITTEE REPORTS — These documents are related to the work of the Development Committee, which advises and reports to the Boards of Governors of the World Bank and the International Monetary Fund on questions of transferring resources to developing countries.

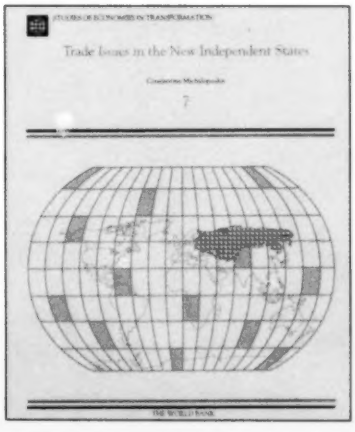
DISCUSSION PAPERS — Informal documents that present unpolished results of research or analysis of a particular development issue. These publications are circulated to encourage discussion and comment.

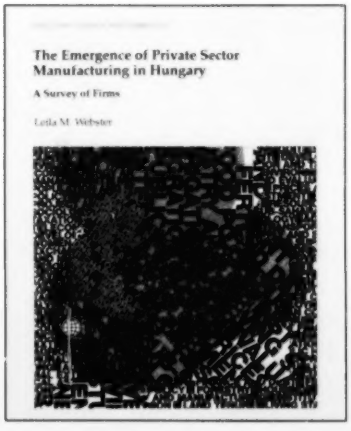
ENVIRONMENT PAPERS — Informal papers on the World Bank's environmental work, intended to make the Bank's latest results available to the development community as quickly as possible.

LSMS WORKING PAPERS — These informal documents disseminate findings from the Living Standards Measurement Study, which the World Bank began in 1980 to develop improved methods for collecting and analyzing household and community data on living standards.

More Publications...

MADIA Discussion Papers	Informal publications that present the findings of the Managing Agricultural Development in Africa study.
Operations Evaluation Studies	Systematic and comprehensive reviews of the World Bank's development experience. These reports examine the range of success—and failure—in individual projects or groups of projects. Prepared by the Operations Evaluation Department, which functions as an independent auditor of the World Bank's work.
Policy Papers	These are analyses of and recommendations on policy for sectors critical to economic and social development.
Policy and Research Series	These reports are informal documents that present results of policy analysis and research to encourage discussion and comment.
Poverty and Social Policy Series	These informal studies are aimed at strengthening the capacity of governments in sub-Saharan Africa to integrate "social dimensions" into structural adjustment programs.
Regional and Sectoral Studies	Books based on World Bank research and experience in specific areas or economic sectors.
Studies of Economies in Transition	Informal reports that disseminate the results of policy analysis and research on the states of the former Soviet Union.





More Publications...

SYMPOSIUM SERIES These reports are edited collections of papers presented at World Bank-sponsored symposia on development-related topics.

TECHNICAL PAPERS Informal documents that present knowledge acquired through the World Bank's experience in helping put together development projects. They include information that is practical rather than theoretical. These documents are "state-of-the-art" and "how-to" monographs.

URBAN MANAGEMENT PROGRAM PAPERS These publications are available from the sponsoring unit within the World Bank. In some cases, they may also be obtained through the World Bank's bookstore in Washington, D.C., or from Bank book distributors in other countries.

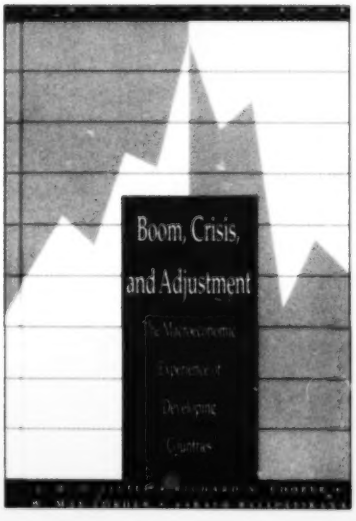
Publications from Other Parts of the Bank

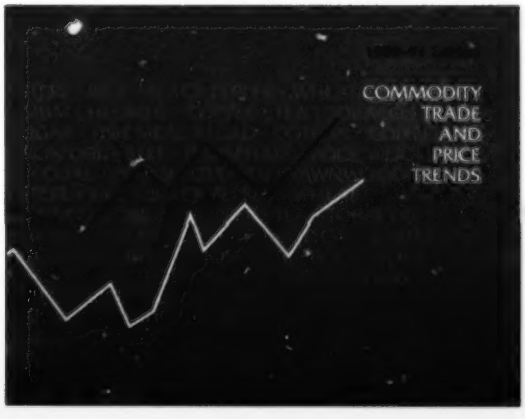
These informal publications present research findings, "best practices," and promising options for strengthening the contribution that cities and towns in developing countries make toward economic and social progress.

CGIAR STUDY PAPERS The Secretariat of the Consultative Group on International Agricultural Research produces these informal documents, which include reports on research issues and on the work of international agricultural research centers.

DEPARTMENTAL WORKING PAPERS About a dozen departments in the World Bank produce these informal publications that focus on research or development issues in various regions or sectors.

EDI SERIES The Economic Development Institute, a department of the World Bank that offers courses, seminars and workshops on subjects related to development, prepares these publications.





More Publications...

FIAS Occasional Papers

The Foreign Investment Advisory Service (FIAS) prepares these informal documents to help countries attract foreign private capital, technology and managerial expertise. FIAS is a joint venture between the International Finance Corporation and the Multilateral Investment Guarantee Agency.

IFC Technical or Discussion Papers

The International Finance Corporation produces these informal documents, which focus on issues related to the growth of the private sector in developing countries.

PAS Research Papers

These informal documents provide advice and technical expertise to developing countries on attracting foreign investment. Papers are prepared under the auspices of the Policy Advisory Services of the Multilateral Investment Guarantee Agency, an affiliate of the World Bank.

Books Copublished with Other Presses

Books that are based on World Bank research are often published by the World Bank and Oxford University Press, the Johns Hopkins University Press, or other presses. Some of these publications are included in other categories mentioned in their section.

Special Publications

The World Bank publishes special books that cover a variety of current development topics. These books include: *Developing the Occupied Territories: An Investment in Peace,* an in-depth look at the development goals and financing needs for the area; *The East Asian Miracle,* a look at how countries of the region achieved remarkable economic growth; and the *Lessons of East Asia,* a country-by-country analysis of the region's economies.

Electronic Data Bases

The following are selected data bases that can be purchased on diskette or CD-ROM. The data collections on diskette enable users to access the data through the World Bank's Socioeconomic Time-series Access and Retrieval System (STARS). Contact the World Bank's bookstore in Washington, D.C., or any World Bank book distributor for information on ordering copies.□

- African Development Indicators 1992—Data on Diskette
- Compact International Agricultural Research Library Basic Retrospective Set: 1962-1986
- Social Indicators of Development—Data on Diskette
- World Debt Tables—Data on Diskette
- World Development Indicators—Data on Diskette
- World Tables—Data on Diskette

Operational Directive Disclosure of Information

Journalists may receive free copies of the Bank's Disclosure of Information guidelines from the new Public Information Center or from the Bank's Information and Public Affairs Division.

Request: Operational Manual Section BP 17.50 (with annexes)—Disclosure of Operational Information, September 1993.

World Bank to Open Office in South Africa in April

SOUTH AFRICA, *from page 3*

small business promotion, health and the financial sector.

The Bank has been especially helpful in trade reform, says Sam. A Bank review of South Africa's trade policies helped the country shape a package of proposals for its application to the General Agreement on Tariffs and Trade. It has also helped in the country's efforts at crafting a program of rural restructuring and land reform. The Bank also plans to focus on studying the role of women in development and examining environmental issues.

The renewed contacts have involved a wide range of institutions in the country, says Sam. The private sector, trade unions, universities, community groups and donor representatives have all taken part in the program which is endorsed by the government and the main political groups engaged in the constitutional negotiating process.

The Bank's efforts aim to give South Africans the tools they need for economic reconstruction and to prepare the Bank for a possibly expanded role in the country, says Sam.

"We hope to contribute to the debate on how South Africa can develop its human and economic potential after the April elections," he says. "We want to help engage dialogue on how to revive economic growth, increase employment, improve redistribution and strengthen the country's ability to carry out reforms."□

Weekly Lending Report

China A $250 million World Bank loan will support China's efforts to modernize the telecommunications sector and pay for investments aimed at increasing long distance and local telephone capacity in selected parts of the country. The plan aims to meet rising telephone demand which has climbed 20 percent a year in the 1990s.

Colombia A $39 million Bank loan will help Colombia develop a national forest policy and strategy for natural resource management in the western region of Choco. The plan marks the first environmental project in Colombia fully funded by the Bank.

Guyana The quality and reliability of potable water in parts of Guyana will be improved and the country's water sector institutions will be made more efficient with support from a credit of SDR 12.5 million ($17.5 million) from the International Development Assocation (IDA).

Republic of Korea A $100 million Bank loan will support Korea's efforts at making its financial system more robust and competitive. The plan aims to support the government's financial deregulation program which would help further development of the Korean economy.

Morocco Small farmers will benefit from a new irrigation services project supported by a $34.7 million Bank loan. The plan, which will affect some 200,000 farms, aims to boost production in irrigated areas, raise farm incomes especially among women, improve agricultural services and promote farmer organizations.

Nepal An IDA credit of SDR 14.2 million ($20 million) will support reforms in Nepal's higher-education system. The project will promote much-needed changes in the country's university system and improve physical facilities at several key university campuses.

Panama A $60 million Bank loan will help Panama make its transport system more efficient and reduce transport costs throughout the country. The plan will especially improve conditions along the PanAmerican Highway, which is needed for moving agricultural produce, and in the Panama City area where it will help the internationally oriented service sector and urban industry.

Paraguay Some 228 kilometers of Paraguay's vital road network will be improved with support from a $65 million Bank loan. The project will also strengthen the government's public works and communications ministry.

Tunisia The population of Tunisia's impoverished mountainous northwest region will have better living conditions with the help of a $27.5 million Bank loan. The project aims to raise income, create jobs, and make investments in infrastructure and natural resource conservation measures in the region, which is home to one-third of Tunisia's poor.

Development Agenda

Date	Event	Sponsor	Location	Telephone
JANUARY				
14	Consultative Group Meeting for Kazakhstan	World Bank	Paris	(33-1)4069-3016
24	Consultative Group Meeting for Egypt	World Bank	Paris	(33-1)4069-3016
25	Economic and Social Council, Election of the Bureau for 1994	United Nations	New York	(212)963-5739*
25-27	Egypt Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
28-30	Annual Meeting	World Economic Forum	Davos, Switzerland	(41-22)736-0243
FEBRUARY				
14-18	Ninth Consultative Group	Common Fund for Commodities Meeting	Amsterdam	(020)-6646409
24-25	Pakistan Consortium Meeting	World Bank	Paris	(33-1)4069-3016
MARCH				
3	Guatemala Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
7-8	Ethiopia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
21-29	World Telecommunication Development Conference	ITU	Buenos Aires	(41-22)730-5111
28-29	Meeting on Population and Development	OECD	Paris	(202)785-6323*
APRIL				
4-7	Fifth Global Warming Science and Policy International Conference and Expo	Global Warming International Center	San Francisco	(708) 910-1551*
4-9	21st World Conference of the Society for International Development	SID	Mexico City	(0939) 6591-7897

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World Bank Names Two New Vice Presidents

The World Bank has appointed two new vice presidents.

S. Shahid Husain has been named the new Vice President for Personnel and Administration. Shahid Javed Burki has been named the Bank's new Vice President for the institution's Latin America and Caribbean Regional Office. Husain and Burki take up their new posts on January 16.

M. Iannacci

S. Shahid Husain

Before joining the World Bank, Husain held a variety of government positions, including Deputy Secretary for Planning and Development in Pakistan. In 1963, Husain began his career at the Bank as an Economist in the institution's Economics Department. Later on, he held posts as a Loan Officer for Brazil and as Deputy Director and director of the East Africa Region.

Since 1974, Husain has held several Bank vice presidential assignments—of the East African Region, the East Asia Region and of Operations Policy. Since 1987, he has been the Vice President of the Bank's Latin America and Caribbean Region.

Burki, who is succeeding Husain as Vice President for Latin America and the Caribbean, joined the World Bank in 1974 after having worked for the Government of Pakistan and after having worked as a Senior Fellow with Harvard University's Development Advisory Service. Burki began his career at the Bank as a Senior Economist in the institution's Policy Planning Division. Two years later, he was appointed chief of the division.

In 1981, Burki became the Senior Economic and Policy Adviser in the office of the Vice President for External Relations. His work included representing the Bank in a variety of United Nations fora and maintaining relations with non-governmental organizations. And in 1983, Burki was promoted to Director of the International Relations Department. From 1987 to the present, Burki has served as Director of the Bank's Country Department II, which oversees lending to China and Mongolia.□

M. Iannacci

S. Javed Burki

PUBLICATIONS

Switzerland Has World's Highest Income

Switzerland is the richest country in the world in terms of per capita income, the World Bank reported on December 30 in the 26th edition of the *World Bank Atlas*, which provides statistics for 207 world economies.

Switzerland's gross national product (GNP) per capita in 1992 was $36,230.

Rounding out the top 10 are: Luxembourg ($35,260), Japan ($28,220), Sweden ($26,780), Denmark ($25,930), Norway ($25,800), Iceland ($23,670), the United States ($23,120), Germany ($23,030) and Finland ($22,980).

Fifty-one economies for which statistics are available lost ground in 1992 over the previous year, seeing their per capita GNP fall. The total includes all 15 republics of the former Soviet Union, but the *Atlas* cautions that estimates for these economies are preliminary. Switzerland also ranked No. 1 in per capita in 1991 with $33,710.

Mozambique remains the poorest economy, with a per capita income of $60—a decline of $20, or 25 percent, from the previous year when it also ranked lowest in the world.

The *Atlas* is a wealth of information that has become over the past quarter century an international standard in statistical compilations. Information comes from World Bank data files and from data directly collected from national statistical offices and from other international agencies, such as the United Nations specialized agencies.

The latest edition provides new data for such topics as infant mortality rates—Ethiopia has the poorest record with 168 deaths per 1,000 live births. Japan has the lowest rate: 5 deaths per 1,000 live births.

Inflation statistics in the Atlas show that prices rose the most in Latin American countries between 1985 and 1992. Nicaragua had the highest rate of inflation: 2,533.8 percent.

The 36-page *World Bank Atlas* is priced at $7.95. Journalists may receive complimentary review copies by writing on company letterhead to the World Bank, Office of the Publisher, Marketing Unit, Room T-8054, Washington, D.C. 20433, fax: (202) 676-0579.□

WORLD BANK NEWS

Richard Kollodge, Editor
Cynthia Delgadillo, Production Assistant
Andrew Kircher, Reporter

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WORLD BANK NEWS

Volume XIII, No. 2 January 13, 1994

AGRICULTURAL SYMPOSIUM

Economic Changes Have Aided Agriculture, Bank Official Says

Food Production Must Double In Next 40 Years

Dozens of agricultural experts from across the globe came to the World Bank's headquarters in Washington, D.C., on January 5 and 6 to tackle new issues in agricultural development.

B. Burgess

Sven Sandstrom

The symposium they attended—an annual event at the Bank—was devoted to the subject of "Agriculture in Liberalizing Economies: Changing Roles for Governments." Ismail Serageldin, the World Bank's Vice President for Environmentally Sustainable Development, chaired the meeting.

Sven Sandstrom, a World Bank Managing Director, kicked off the symposium on January 5. Following are excerpts from Sandstrom's opening remarks:

This is quite a unique moment for agriculture. New opportunities are opening up and new lessons are being learned. This is first and foremost because of the improving economic environment for agriculture in many developing countries—with the trend toward a more competitive, "market-friendly" approach. In some of the world's poorest countries, in sub-Saharan Africa for example, those which are adjusting strongly have seen their agricultural growth rates improve significantly in recent years.

The momentum toward trade liberalization will also enhance agriculture's prospects. The Uruguay Round, in particular, should help to turn around the anomalous situation whereby agriculture has been heavily taxed in the poorest countries, but heavily subsidized in

See SYMPOSIUM, *page 2*

LENDING

Latvia Eases Cash Flow to Private Farmers

Agriculture, long a mainstay of Latvia's economy, has been suffering in recent years. Dropping demand and crumbling trade links with the former Soviet Union have cut food output by one-third every year since the Baltic country declared its independence in 1991.

But a new $25 million World Bank loan approved January 11 aims to speed up the recovery of Latvian agriculture by helping the country's emerging private farmers and entrepreneurs.

Most of the loan will help make it easier for Latvia's 52,000 private farmers to obtain badly needed cash. Under the plan, Latvia will give credits averaging $5,000 to qualifying farmers. The farmers can then use the money to invest in stables, tractors, fertilizers or any other farm inputs they need to start up or enhance operations.

Some of Latvia's small-scale private agro-processing and forest industries will also receive loans. About 40 agro-industries are targeted under the plan, includ-

See LATVIA, *page 2*

Negotiations on the future of the Global Environmental Facility took another step forward in Paris. 4

African countries belonging to the Franc Zone have agreed to adjust their economic "parity" with the French Franc. 4

New interest rate, page 2

Development agenda, page 3

Lending roundup, page 4

World Bank Approved First Loan for Agriculture in 1948

SYMPOSIUM, *from page 1*

the richer nations.

These changes imply a different role for the state in agricultural development. There is now a consensus that governments should intervene less where they can and more where they must.

These changes also raise a host of challenges and opportunities for our member country governments—and for the Bank. This year, we begin to mark our 50th anniversary, which affords us the opportunity to look back and reflect on the Bank's achievements, as well as to look forward and to accelerate the implementation of lessons learned over the years.

The first loan for agriculture was made in 1948. In the 45 years since then, global food production has more than doubled, with more than 90 percent of this due to yield increases. While most of this symposium will rightly focus on problems and where we and others have failed, we must not forget the spectacular progress that has been made.

We can also be proud that the Bank has played a small but significant role. In the process, we've learned a number of lessons, some learned quickly, others that we are only learning now. The early lessons included:

- the stultifying effects of heavy-handed government interventions in marketing;
- the vital importance of sound macro and incentive policies;
- the dangers of generalized subsidies for inputs and outputs;
- and the crucial role of research and extension.

Other lessons have been learned only more recently:

- the high costs of inadequate supervision of projects and low quality-at-entry;
- the gains to be had from building real ownership in projects;
- the benefits of participation;
- the crucial role of women in everything from extension to education;
- and the economic and social costs of failing to take environmental concerns into account.

For most Bank staff, the "early" lessons are now obvious—although not always to the Bank's critics. For most of the Bank's critics, the "new" lessons are obvious, although not always to borrowers and Bank staff. A major challenge for the coming years is to bridge those gaps and to incorporate both sets of lessons into our operations.

Where does all this leave agriculture in terms of the Bank's future development strategy? When we mark the 60th and 70th anniversary, how will we measure our contribution to the agricultural sector? Let me suggest that there are five elements that we need to monitor closely:

First is good old-fashioned productivity. Food production worldwide needs to double in the next 40 years.

Second is the issue of sustainability. A new generation of projects is now rapidly entering our portfolio—projects that give strong weight to undoing ecological problems of the past and introducing more sustainable production patterns in the future.

Third is the issue of ownership, which, in fact, is simply another facet of sustainability. Building ownership at all relevant levels is neither easy or cheap—but not doing it is even more difficult and costly in the long run.

The fourth issue that I would emphasize is partnership. Clearly, the Bank does not have all the answers nor all the resources. We need to pool our efforts and collaborate effectively with all our partners in development.

My fifth issue is poverty reduction, which, of course, is really our first and last concern. All other elements are subcomponents of that objective. We need to do a better job of ensuring that all our operations have maximum impact in terms of poverty reduction.

These broad dimensions of change will have a substantial impact on the kind of projects that the Bank supports, on how we support them, on the kind of staff we recruit to help implement them, and on our training programs.

The Bank's agricultural operations in the past have played a vital role in helping to feed growing populations in many countries and in releasing resources for more general development.

I am convinced that, by adapting our approach to the challenges and opportunities in our rapidly changing world, our agricultural operations can play an even more important role in the future. □

Lavian Farmers Adapt

LATVIA, *from page 1*

ing meat and dairy processing operations, feed mills and potato and starch processing plants. Also, forestry operations such as saw and plywood mills and furniture making plants will receive help. Technical assistance of various kinds will also be provided as part of the project.

The loan aims to help Latvia support the emergence of private farmers and entrepreneurs. By doing so, the plan will speed up the country's agriculture reform effort and help move the sector closer to a market oriented system.

The new loan marks the first Bank-supported investment project in the Baltic □

Bank Lowers Interest Rate

The World Bank has lowered the interest rate to be charged on loans for the six-month period that began January 1.

For loans made under—or converted to—the World Bank's new variable lending-rate system, the new rate is 7.27 percent, down from 7.43 percent, the rate that was charged during the previous six months.

For loans made under the older variable-rate system—and for loans that have not been converted to the current system—the interest rate is 7.25 percent.

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JANUARY				
14	Consultative Group Meeting for Kazakhstan	World Bank	Paris	(33-1)4069-3016
24	Consultative Group Meeting for Egypt	World Bank	Paris	(33-1)4069-3016
25	Economic and Social Council, Election of the Bureau for 1994	United Nations	New York	(212)-963-5739*
25-27	Egypt Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
28-30	Annual Meeting	World Economic Forum	Davos, Switzerland	(41-22)736-0243
FEBRUARY				
14-18	Ninth Consultative Group Meeting	Common Fund for Commodities	Amsterdam	(020)-6646409
24-25	Pakistan Consortium Meeting	World Bank	Paris	(33-1)4069-3016
MARCH				
3	Guatemala Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
7-8	Ethiopia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
21-29	World Telecommunication Development Conference	ITU	Buenos Aires	(41-22)730-5111
22-23	Ministerial Conference on Drinking Water and Environmental Sanitation	Gov't of the Netherlands, Ministry of Housing, Physical Planning and Environment	Noordwijk, The Netherlands	(31)79 317 213
28-29	Meeting on Population and Development	OECD	Paris	(202)785-6323*
APRIL				
4-7	Fifth Global Warming Science and Policy International Conference and Expo	Global Warming International Center	San Francisco	(708) 910-1551*

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MEETINGS

OECD Members Discuss Moving "Forward" With GEF

A group of donors meeting in Paris on January 7 signalled their readiness to move forward swiftly on the restructuring and replenishment of the Global Environment Facility (GEF).

The group, made of representatives from governments of the Organization for Economic Cooperation and Development, confirmed that they were prepared to replenish the GEF at a level of $2 billion for the next three-year phase. The representatives also discussed institutional arrangements for the new GEF.

Developing countries plan to meet shortly to consider their position.

The Paris meeting was called by France to consider ways of resolving issues that blocked agreement at what was billed as the final negotiating session for the new GEF in Cartagena, Colombia, last month.

Developing countries plan to meet shortly in New York to consider their position. But no plans have been made for a formal meeting of all participating governments.

The GEF provides grants to countries with average incomes under $4,000 for projects that have global environmental benefits. The Facility is jointly implemented by the World Bank, the United Nations Development Programme and the UN Environment Programme.□

World Bank to Support Accelerated Development In CFA Countries

The African member states of the Franc Zone[1] have announced that they have revised the parity of the CFA Franc and Comorian Franc with the French Franc.

Mr. Lewis T. Preston, the President of the World Bank commended the governments of the CFA Franc countries "on the courageous action they have undertaken" which, he said, would "substantially enhance the prospects for accelerated and sustainable growth and the reduction of poverty in this large and vital part of Africa."

The African countries of the Franc Zone have, along with other countries in Africa, experienced severe economic difficulties in recent years.

The actions—together with the programs of these governments to liberalize their economies, strengthen their public finances, and increase investment in human resource development—will enable the CFA Franc countries to make more efficient use of their resources, compete more effectively in world markets, generate more income and jobs, and improve the living standards of their peoples.

Mr. Preston said that this important step taken by the CFA Franc countries would require strong support from the international donor community in order to succeed. To this end, he announced that the World Bank planned to work with the IMF and the donor nations participating in the Special Program of Assistance for Africa (SPA). He added that the Bank stands ready to intensify and expand its own programs— financial and technical— to help support the development efforts of the CFA countries.□

[1]*Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Equatorial Guinea, Gabon, Mali, Niger, Senegal and Togo*

REPUBLIC OF KOREA

A $190 million World Bank loan will help Korea improve its science and technical education and research. The project will especially target improvements at selected universities, marine research institutions, junior technical colleges and vocational high schools.

Also, Korea's environmental technology development efforts will receive a boost from a $90 million Bank loan. The project aims to strengthen the capacity of selected national research institutes to identify environmental problems and undertake environmental research and development.

WORLD BANK NEWS

Richard Kollodge, Editor
Cynthia Delgadillo, Production Assistant
Andrew Kircher, Reporter

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WORLD BANK NEWS

Volume XIII, No. 3 January 20, 1994

LENDING

Zimbabwe Fights Energy Shortage Brought On By Drought

The drought of 1991 and 1992 brought suffering to millions of people in sub-Saharan Africa, and Zimbabwe was no exception. But aside from depriving Africans of food and water, the dry spell also drained the lakes and rivers that Zimbabwe's mighty hydropower plants relied on to fuel the country's energy needs.

As waters receded, Zimbabwe's hydropower output fell behind demand and the country's power supply plummeted by nearly one-fifth. Hydropower increased with the plentiful rains of 1992 and 1993 but the downpours failed to raise water levels high enough to keep up with the rising energy needs of Zimbabwe's growing economy.

K. Mott/WHO

Young Zimbabweans inspect a drilling rig for water. The recent drought deprived Zimbabwe of drinking water and critical hydropower.

To make up for the energy shortage, Zimbabwe is now turning to boost its coal-fueled power with the help of a $90 million World Bank loan approved January 18. By increasing coal-fueled energy production, Zimbabwe hopes to nurture economic growth at a time

See **ZIMBABWE**, *page 4*

World Bank Calls Donors Meeting On Guyana

The World Bank on January 12 invited about 46 donor countries and international organizations to an upcoming special meeting to discuss Guyana's economic recovery efforts. The meeting, slated for January 27 and 28, 1994, will be held at the Tower Hotel in Georgetown, Guyana.

The one-and-a-half day conference is a special country sub-group meeting for Guyana under the Caribbean Group for Cooperation in Economic Development (CGCED). The Caribbean Group was established by the World Bank in 1978 to help coordinate external assistance to Caribbean countries.

The Guyana meeting will discuss the country's economic recovery and poverty alleviation efforts and financing needs. Discussions will emphasize governance, private sector development and the role of the public sector.

Assistance from the international donor community is critical because Guyana is one of the poorest countries in the hemisphere. Guyana has huge social and physical infrastructure needs but is facing severe financial constraints due to its high debt service burden. □

In recent years, Russia has made progress in transforming its old agricultural system to one based more on private ownership. **2**

Donors pledge $1 billion in assistance for Kazakhstan's development efforts in 1994. **4**

Development agenda, page 3

■

African agriculture report, page 4

Russian Farm Reforms - A Significant Start

In recent years, Russia has made progress in transforming its old agricultural system of mammoth, inefficient state and collective farms to one based more on private ownership.

Since 1990 alone, Russia has enacted more than 80 legal documents changing the rules of land holding and farm operation. Today, Russian farmers can own land, grow their own crops and sell them to the markets they choose.

M. Iannacci

Karen Brooks

But while the reforms achieved some success, they have not gone far enough in nudging Russian agriculture away from the old system, according to a draft of a new World Bank study introduced at the Bank's annual agricultural symposium last week in Washington. The study will be published in February.

"What Russia has done in agriculture is rather remarkable," says Karen Brooks, a co-author of *Land Reform and Farm Restructuring in Russia*. "Developments in 1992 and 1993 are a significant start on an ambitious and long-term program of restructuring at the farm level."

Brooks is a senior economist in the agricultural policies division of the World Bank's Agriculture and Natural Resources Department. She co-authored the study with Zvi Lerman, a Senior Lecturer from the Department of Agricultural Economics of The Hebrew University of Jerusalem, Israel, currently on leave as Visiting Research Fellow at the Bank.

Brooks and Lerman worked with the Agrarian Institute of the Russian Agricultural Academy of Sciences. The Agriculture, Industry & Finance Division of the World Bank's Europe and Central Asia Region also supported the study.

The Agrarian Institute interviewed 2,700 people involved in Russian agriculture for the study, ranging from private farmers to employees of farm enterprises and managers of transforming enterprises. The interviews were conducted more than a year ago in five Russian provinces from November 1992 to January 1993.

Recent regulations and Russia's new constitution strengthen the movement toward private agriculture, says the study. But it cautions that some of the key legal efforts have not been made into law, including the Presidential Decree of October 1993 which sanctions the selling and buying of land.

"Land markets will function only if owners feel that their property rights are secure and that transactions entered into today will be protected by existing and future laws," says the study. "In this respect, the decree is an important first step and will have to be followed by supportive legislation and development land markets allowing land markets to function."

"Progress on the macroeconomic reforms will be very important for continued farm restructuring," says Brooks. "Interest rates have been raised and preferential credit to agriculture curtailed. It is very important that these measures be retained and that agricultural subsidies shrink. If the macroeconomic signals are mixed, this will inhibit rapid change at the farm level."

Laws and presidential decrees have achieved the exit of the state from its position as the dominant owner of land, says the study. Ninety percent of those farm enterprises sampled have reorganized and changed their ownership into new farms such as limited liability partnerships or joint-stock societies.

But despite the reforms, most agricultural land still remained in the hands of reorganized collective and state farms at the end of 1992, the study says. Also, although the large farms had been restructured, they still "looked and behaved" much like their former state-run operations.

"This distribution of land ownership is a major departure from the traditional pattern during the Soviet period, when the state owned all agricultural land," says the study. "It is not, however, qualitatively different from that of much of Central and Eastern Europe during the era of collectivist agriculture, where a system of mixed ownership of land was the prevailing tenure regime after 1948."

Despite the slow progress, Brooks says she is not pessimistic about the future of Russian agriculture because the country has at least offered farmers a "mechanism" for reform.

That mechanism came in November 1990 when the Law of Peasant Farms allowed members and employees of collective and state farms to leave their enterprises with a share of land and assets. Also, in December 1991, when a Presidential Decree required that collective and state farms reorganize.

With their shares of land assets, farmers can start a private farm. And many have. By July 1993, Russia had 260,000 private farmers and nearly 8 percent of agricultural land was privately owned, either by private farmers or household gardeners. "By giving farmers the chance to trade in their shares for land and assets, Russian law has put in place the mechanism to allow agriculture to change and to allow new farms to be created," says Brooks.

According to the study, private farmers have not shown higher crop yields than their counterparts on large collective or state farms. But they have changed the way they do business, by focusing more on raising crops such as wheat and cutting back production of unprofitable livestock products. While collective enterprises in the study still derived 42 percent of their sales from livestock, private farms earned only 22 percent from beef, pork and other livestock products.

"When farmers leave their enterprises, they tend to leave the drag of unprofitability behind them," says Brooks.

"In other words, private farmers are doing a better job of adapting to market signals by making goods that sell profitably. Similarly, the crucial task for all of Russian agriculture is to make that shift away from unprofitable production and inefficient operations to a more productive sector if the country wants to shift toward a market-based economy."□

Date	Event	Sponsor	Location	Telephone
JANUARY				
25	Economic and Social Council, Election of the Bureau for 1994	United Nations	New York	(212)-963-5739*
25-27	Egypt Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
27-28	Guyana Consultative Group Meeting	World Bank	Georgetown, Guyana	(202)473-8721*
28-30	Annual Meeting	World Economic Forum	Davos, Switzerland	(41-22)736-0243
FEBRUARY				
14-18	Ninth Consultative Group	Common Fund for Commodities Meeting	Amsterdam	(020)-6646409
24-25	Pakistan Consortium Meeting	World Bank	Paris	(33-1)4069-3016
MARCH				
3	Guatemala Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
7-8	Ethiopia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
21-29	World Telecommunication Development Conference	ITU	Buenos Aires	(41-22)730-5111
22-23	Ministerial Conference on Drinking Water and Environmental Sanitation	Gov't of the Netherlands, Ministry of Housing, Physical Planning and Environment	Noordwijk, The Netherlands	(31)79 317 213
28-29	Meeting on Population and Development	OECD	Paris	(202)785-6323*
APRIL				
4-7	Fifth Global Warming Science and Policy International Conference and Expo	Global Warming International Center	San Francisco	(708) 910-1551*
4-9	21st World Conference of the Society for International Development	SID	Mexico City	(0939) 6591-7897

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Zimbabwe Turns to Coal

ZIMBABWE, *from page 1*

when the country is putting in place an ambitious package of economic reforms.

"Coal is very important to Zimbabwe's power sector, especially now in the wake of the drought," says Assefa Telahun, senior power engineer in the industry and energy division of the World Bank's Africa Region. "With help from the project, Zimbabwe will make coal power more reliable and more efficient."

Zimbabwe will improve its coal output mainly by upgrading the Hwange Power Station, the country's largest power-producer. A coal-fueled steam plant, the Hwange station provides Zimbabwe with nearly one-half of its power needs.

With help from the loan, Zimbabwe will upgrade Hwange's cooling water system which recently has held back output growth at the facility. A new cooling tower will be built, more circulating water pumps will be put in place and an extra cooling system will be installed for the plant's bearings and equipment. Technical assistance, meanwhile, will make the plant's use of coal more efficient, and thereby less harmful to the environment.

The project will also help commercialize Zimbabwe's national power utility. Although one of the best among African power utilities, the entity has suffered in the past from government red tape and lack of independence. Under the new project, the utility's management will be granted greater autonomy and allowed to conduct its business on fully commercial lines. Senior technical staff, who have long been scarce at the utility, will receive more training and better salaries.□

MEETINGS

SPAAR Reports "Encouraging" Results

New initiatives to revitalize African agricultural research are yielding encouraging results, a group of donors and stakeholders in the field reported after its annual meeting in Paris on January 13.

The Special Program for African Agricultural Research (SPAAR) said major new research findings point to a brighter future for African agriculture. But the group also warned that agricultural research, for various reasons, is still far from satisfactory.

SPAAR, established by donors in 1985, works with African governments, scientists, the private sector and non-governmental organizations to strengthen agricultural research in Africa. The group released its statement following its plenary session which was chaired by the World Bank.

African agricultural research gained ground in several areas in 1993, the group said. One major finding showed that investment in African agricultural research and technology development is delivering increased yields and higher incomes. Based on results from more than 20 research projects, the evidence challenges doubts that donors have had about impact of research in the past.

The group also pointed to other areas of progress in African countries but stressed that much more had to be done in agricultural research. In many countries, government commitment is still lacking, research organizations are ineffective and lack a clear sense of direction and priorities, it said. □

Kazakhstan To Receive $1 Billion in 1994

Representatives from 16 countries and 11 international organizations meeting in Paris on January 14 committed a total of $1 billion for Kazakhstan's development needs in 1994.

The new commitments, together with disbursements from 1993 commitments of $510 million, are expected to meet the estimated external financing requirements of Kazakhstan's reform program in 1994.

Representatives at the Consultative Group meeting commended the Kazakh government for its bold decision to implement a thorough economic stabilization and structural reform program, and for the progress it had achieved to date. They also expressed strong support for the government's initiatives.

The group offered to continue and expand programs to assist in the provision of technical assistance in key sectors. The areas included the financial sector, enterprise reform and restructuring, private sector development, the social sector and agriculture.

A top Kazakh government official called on the donor community to support the country in its efforts toward economic reform. He said the Tenge, Kazakhstan's new currency, was finding increasing acceptability and its introduction had given an impetus to the reforms. Progress was also being made in the areas of payments and other exchange matters.□

WORLD BANK NEWS

Richard Kollodge, Editor
Cynthia Delgadillo, Production Assistant
Andrew Kircher, Reporter

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WORLD BANK NEWS

Volume XIII, No. 4 January 27, 1994

LENDING

Viet Nam Helps Poor Farmers

With an average annual income of about $200, Viet Nam remains one of the world's poorest countries. Yet, many of Viet Nam's 70 million people get by on much less.

M. Iannacci

William Cuddihy

In many rural areas of the Southeast Asian country, farm families with five or more people often eke out an existence on a total of $200, leaving each family member with an average income of $40 a year. Poverty has hit especially hard in the northern and the central regions, where malnutrition is still common.

But many Vietnamese farmers now stand to gain with the help of a new three-year, $106 million agriculture project aimed at improving the lives of Viet Nam's farm families. If the project goes as planned, those farmers could more than double their incomes to $96 per person or $480 per family.

On January 25, the International Development Association (IDA) approved a credit of SDR 69.4 million ($96 million) in support of the plan. The new credit follows on the heels of IDA credits for primary education and highway repair approved in October 1993, marking the first IDA loans to Viet Nam since 1978. IDA is the World Bank affiliate that lends on concessional terms to the poorest countries.

"With help from the project, Viet Nam will further transform its crucial agricultural sector from one based on collectivization to one reliant on small family farming," says William Cuddihy, senior agricultural economist in the Agriculture and Natural Resources Division of the World Bank's East Asia and Pacific Region. "Agriculture is vital to Viet Nam because it employs two-thirds of the country's workforce and yields one-half of the country's output and export earnings."

Farm Credits Average $100 and $1,000

The bulk of the project will make it easier for Vietnamese rice farmers in 40 provinces throughout the country to obtain badly needed cash and agricultural

See VIET NAM, page 2

Ruth Massey/UNDP

Viet Nam is trying to raise the incomes of its rural poor. Here, a rice farmer plies an irrigation canal on the way to market.

Asian countries should make a series of sweeping policy changes to tackle environmental problems, a new World Bank study recommends. 2

Malaysia replants rubber trees and other crops on 90,000 hectares with the aim of boosting rubber production and raising incomes of the rural poor. 4

Development agenda, page 3

Lending roundup, page 4

Viet Nam's Rural Poor Diversifying Crops

VIET NAM, *from page 1*

extension services. Rice, Viet Nam's most important crop, covers one-fifth of the country's land area.

"Vietnamese farmers need credit to help them expand their newly privatized operations," says Cuddihy. "Before agricultural reforms were launched in 1989, rural areas were taken up by large, inefficient farms with huge fields of rice paddies. But now when you go to the countryside, you see much of the land broken down into little farms with fish ponds, soybean fields, vegetable crops and small animals. This credit will help farmers continue to diversify and intensify that process."

Some $52 million will help boost the amount of credit available to Vietnamese farmers for both short-term and longer-term investments. In recent years, most farmers have not been able to get credit for even the simplest purchases.

In 1990, Viet Nam tried to cure the credit shortage by spreading out more funds to the countryside through the newly formed Vietnamese Bank of Agriculture (VBA). The VBA managed to raise available credit from $33 million in 1991 to $236 million in 1993 but the funds still fell short. Only 10 percent of Viet Nam's 10 million farmers currently obtain the credit they need.

With help from the project, the VBA will make short-term loans averaging $100 to private farmers. Farm needs such as fertilizers, seeds and insecticides will be bought with the smaller loans. Longer-term loans averaging $1,000 will also be made available to farmers who want to buy agricultural machinery, including small tractors, fishing equipment and motor tillers.

Extension services will also be upgraded and expanded under the project. Some 4,300 villages with 4 million farm households will be targeted under the plan. Many of the families live in the "rice bowl" areas of the Mekong and Red River Deltas.

Rubber Revived

Some of Viet Nam's 100-year-old rubber industry will also receive help from the IDA-supported project.

In the 1960's, rubber was Viet Nam's main agricultural export and the country ranked as the world's fifth-largest rubber producer. But by 1975, rubber output had fallen to about one-fourth of its former level. The government has since launched a major planting program and has restructured the rubber industry, with the aim of making it a big player in the Vietnamese economy.

Under the new project, Viet Nam will revive nine state rubber companies covering some 160,000 hectares of land in the country's South East region. If the project is successful, rubber production could double by 1996 and bring in an extra $60 million in export earnings.

"Viet Nam's rubber industry has a lot of export potential," says Cuddihy. "The country's low cost of labor, high productivity of its workers and high quality of its latex give Viet Nam a very good comparative advantage in rubber."

Aside from helping rice and rubber, the project will also beef up the country's plant protection service and strengthen agricultural research in three key agricultural institutes. Some 1,000 staff at the Viet Nam's agricultural ministry will receive training in helping to carry out agricultural reforms.

The new IDA-supported project follows Viet Nam's ambitious reform program launched in March, 1989. In agriculture, reforms dismantled communes and restored family farming. The move boosted rice production, changing Viet Nam from an importer in the mid-1980s to the ranks of the world's top three rice exporters in 1991.

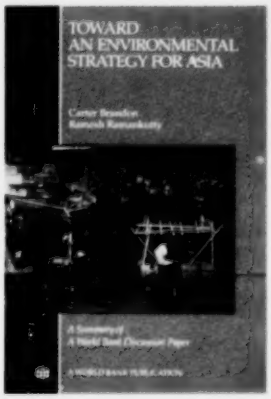
But Viet Nam still faces a lot of problems in agriculture. Recent military demobilization and cuts in the state work force have brought some 1 million people to the fields and put pressure on agriculture to generate more jobs. □

PUBLICATIONS

An Environmental Strategy for Asia

Asian governments can take a number of steps that would cost very little but would help protect the environment and improve human welfare, says a new World Bank study.

The fundamental cause of Asia's environmental troubles is that markets undervalue the natural resources of air, land and water, according to the report, *Towards An Environmental Strategy for Asia.*



Increases in population, industrialization and rapid movement of people to cities are also placing pressure on natural resources. Throughout Asia, environmental degradation is proceeding much faster than the underlying economies—which are themselves growing very rapidly.

To tackle the environmental problems, the paper recommends that Asian countries should make a series of sweeping policy changes. The strategy includes setting priorities for what is feasible, raising the cost to polluters of their behavior and strengthening public institutions to better define and enforce environmental goals. Technology transfer is also important while more public and private investment is crucial to making environmental policies more sustainable.

The study says water pollution, air pollution, solid waste management and inappropriate land use are four key issues needing attention in Asian cities. In rural areas, forests and marginal lands are under pressure from farmers, commercial logging, and excess demand for firewood and fodder. Land degradation,

See ENVIRONMENT, *page 4*

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JANUARY				
27-28	Guyana Consultative Group Meeting	World Bank	Georgetown, Guyana	(202)473-8721*
28-30	Annual Meeting	World Economic Forum	Davos, Switzerland	(41-22)736-0243
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APRIL				
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11-13	Annual Meeting of the Board of the Inter-American Development Bank	IDB	Guadalajara, Mexico	(202)623-3435*

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LENDING

Malaysia Replants Rubber, Palm Trees

Malaysia's climate and soil give the country a strong comparative advantage in growing tree crops. As a result, the Southeast Asian nation of 20 million people has long ranked as the world's largest maker of palm oil and one of the top producers of cocoa and rubber.

But output of rubber, once Malaysia's leading crop, has fallen during the past two decades in favor of palm oil's appeal of higher profits and easier production. As rubber production fell, small rubber producers also watched their incomes drop, placing the group as one of the poorest sections of Malaysia's population.

Under a new $253 million project, though, Malaysia is aiming to boost output of rubber and other crops and raise the incomes of rubber "smallholders," or owners of small sections of rubber tree crops. On January 25, the World Bank approved a loan of $70 million for the effort.

Under the plan, Malaysia will offer small grants to some 150,000 smallholders for replanting land where old, unproductive rubber trees now stand. Some 90,000 hectares of the old rubber land will be replanted under the project while another 5,000 hectares will be readied for planting.

Each farmer will have the choice of planting any of 17 pre-selected crops they think will sell the best. Those who plant rubber trees will receive $2,423 per hectare while farmers who want to grow other crops will get $1,744 per hectare. Based on recent experience, 80 percent of the farmers are likely to plant rubber trees, 12 percent will grow palm oil while the rest will plant other crops, mainly fruits.

If the project works as planned, it could raise the incomes of the smallholders above the poverty level which now stands at an average $150 per month for a family of five, or $30 per person. As the rubber trees grow and begin producing, they could bring in export revenues of about $110 million per year by 2009.

After replanting, the project will also pay for maintenance of the trees, and maintenance during immaturity of trees already planted under previous efforts. Malaysia replanted 40,000 hectares of land per year with rubber and other crops under a similar project supported by a $71 million World Bank loan in 1989.

The new project will also upgrade 1,000 kilometers of agricultural access roads and strengthen training programs for smallholders, especially women. Lastly, the plan will pay for more research on rubber tapping systems, restructuring of smallholder cooperatives and human resource development.□

Asian Environment Needs Action

ENVIRONMENT, *from page 2*

deforestation and loss of biodiversity are also widespread.

But the paper says environmental problems are also caused by the "common perception" that there is a direct "tradeoff" between environmental protection and economic growth. The study argues that there is no such tradeoff and that rational policies will save more than they cost, thereby increasing economic efficiency and human welfare.

The newly published full report of *Towards An Environmental Strategy for Asia* is now available for $12.95. Also, the summary booklet of the report sells for $6.95. Journalists may receive complimentary review copies of either the full report or summary by writing on company letterhead to Peter Stephens, The World Bank, MC-11-003, 1800 H St. N.W., Washington, D.C., 20433, U.S.A. Fax: (202) 522-3405.□

Weekly Lending Report

URUGUAY Some 15,000 Uruguayan farmers stand to benefit from a new agricultural project supported by a $41 million World Bank loan. The plan aims to diversify production and increase competitiveness while boosting agricultural production by expanding irrigated crop area by 30,000 hectares for mostly small and medium-sized farmers.

A $35 million Bank loan also aims to help Uruguay raise production of goods and services that generate foreign exchange reserves while making the productive and financial sectors more efficient.

WORLD BANK NEWS

Richard Kollodge, Editor
Cynthia Delgadillo, Production Assistant
Andrew Kircher, Reporter

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WORLD BANK NEWS

Volume XIII, No. 5 February 3, 1994

LENDING

Armenia Still Struggling With Legacy of 1988 Earthquake

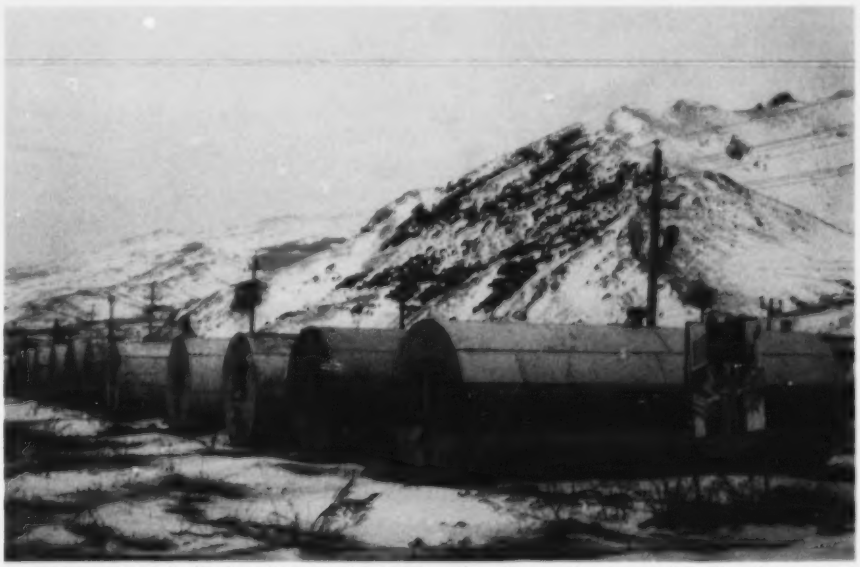
Nearly six years after a severe earthquake struck Armenia, the small, landlocked country is still struggling to rebuild its devastated infrastructure.

Soon after the tremor shook this nation of 3.6 million people in 1988, help poured in from the government of the former Soviet Union and several donors. The assistance helped, but only partly. Some temporary houses were built from empty fuel tanks and railroad boxcars, roads were repaired and water pipes were mended. But when the Soviet Union broke up in mid-1991, the Soviet reconstruction crews went home. That left Armenia with a landscape of unfinished apartment blocks, factory shells and half-done water and sewerage projects.

Under a new $28.7 million project, though, Armenia aims to speed up its recovery from the devastating earthquake and give immediate relief to some of the affected area's 660,000 inhabitants. On February 1, the effort won support of a credit of SDR 20.1 million ($28 million) from the International Development Association (IDA).

"This project is a modest effort compared to Armenia's needs," says Dominique Lallement, an infrastructure division chief in the World Bank's Europe and Central Asia Region. "Tens of thousands of people are still living in temporary housing made of steel containers. Most homes have no heat in spite of temperatures way below freezing for four to five months of the year, and sanitary facilities are very precarious."

See ARMENIA, *page 2*



John Pickard

Many Armenians who lost their homes in the 1988 earthquake now live in poorly insulated "container communities" built from fuel tanks and railroad boxcars.

Donors meeting in Paris pledge $2.4 billion per year for Egypt's reform efforts in both fiscal years 1994 and 1995. 2

The new, revised System of National Accounts offers a more global and accurate method for analyzing the economies of both developing and developed countries, says top World Bank official. 4

Occupied Territories receive start-up and transitional funds for 1994. 4

Development agenda, page 3

■

Guyana donor meeting, page 4

Many Homes Lack Heat, Running Water

ARMENIA, *from page 1*

The government of Japan is cofinancing the project with $400,000. IDA is the World Bank affiliate that lends to the poorest countries on concessional terms.

When presenting the project to the Bank's Board of Executive Directors, Basil Kavalsky, Director of the World Bank Country Department for Armenia, praised the Armenian government's efforts to undertake economic reforms. At the same time, Kavalsky stressed the Bank's standing commitment to assist in the rehabilitation of the Caucasian region and mentioned that the Bank is currently working on the development of new lending operations in two other countries in the region.

Meeting Severe Housing Demand

Under the project, Armenia will mainly reconstruct housing, factories and municipal infrastructure in the northwestern corner of the country that was affected by the earthquake.

Apart from physical reconstruction, the project will provide technical assistance, training, studies and equipment. It will assist Armenia in developing a longer-term sustainable program for rehabilitation in the area affected by the earthquake. The project will also support major policy reforms in the housing sector.

Demand for housing is severe. Currently, many Armenians live in "container communities," named after the poorly insulated industrial containers that were donated by the former Soviet Union after the tremor.

With help from the project, Armenia will put 2,000 families in new homes by completing some 1,500 unfinished apartments and strengthening 500 apartments damaged by the quake. The project will also pay for laying out small plots connected to basic services and starter houses.

"Hopefully, the plan will lay the groundwork for future expansion of the housing sector by planning smaller, more realistic apartments and plots than were designed before," says Anders Bonde, a highway engineer in the Bank's Europe and Central Asia Region. "The idea is that people should be able to build houses they can afford."

Many of the temporary housing areas in Armenia lack basic services like running water and sewers. The project will try to alleviate that problem by building public bathhouses near many of the areas, offering hot water, showers, toilets and laundry facilities.

Water and sewerage infrastructure will also be constructed in three cities that were severely affected by the earthquake. Gumri, Armenia's second largest city, will take part in the plan, as well as Vanadzor and Spitak. Lying at the epicenter of the quake, Spitak was totally destroyed and still has virtually no piped water for its 20,000 inhabitants.

The project will try to boost economic output and raise incomes in the affected area by rebuilding four profitable factories which stand partially finished. The factories, which produce goods ranging from machine tools to clothing and electrocondensors, could put 2,500 workers back on the job in an area where unemployment stands at 70 percent.

The 1988 earthquake took the lives of an estimated 25,000 to 30,000 people and left more than a half-million people homeless. The quake also took an economic toll by destroying about 40 percent of Armenia's manufacturing base. The breakup of old trade ties with the former Soviet Union, instability in neighboring Georgia and the dispute over Nagorno-Karabakh have made the situation even worse.

John Pickard

Unfinished apartment blocks, like this one in Gumri, will be completed.

The blockade of Armenia's trade routes has caused widespread shortages of fuel and other imports, prompting two-thirds of the country's enterprises to shut down. Industrial output fell by half in 1992 and the country's average income now amounts to about one-third of its 1989 level.

This new project marks the second loan to Armenia since the Bank made its first loan to the country in March, 1993. The first loan aimed to improve Armenia's ability to carry out economic reforms, manage a private market economy and build up a private sector. Armenia became a member of the Bank in September, 1992. □

Donors Pledge Help for Egypt

One hundred donor representatives meeting in Paris on January 25-26 pledged more than $2.4 billion per year for Egypt's reform efforts for both fiscal years 1994 and 1995.

The donors, from 13 countries and 12 international organizations, pledged continuation of their financial and technical support to assist Egypt in the implementation of the country's second phase comprehensive economic reform program. The pledges exceeded the amount needed.

Both the donors and the Egyptian government agreed on three issues as key to the adjustment program's success. They include fast restoration of economic growth, job creation and continued but strengthened protection of the poor through efficient social safeguards. □

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FEBRUARY				
14-18	Ninth Consultative Committee Meeting	Common Fund for Commodities	Amsterdam	(020)6646409
24-25	Pakistan Consortium Meeting	World Bank	Paris	(33-1)4069-3016
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12-14	AFARB/Sustainable Land Settlement (Riverblindness)	World Bank	Paris	(33-1)4069-3016
19-20	Bangladesh Aid Group Meeting	World Bank	Paris	(33-1)4069-3016

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CONSULTATIVE MEETINGS

Donors Commit $320 Million For Guyana's Development

A group of representatives from 27 countries and international organizations meeting in Guyana on January 27-28 confirmed commitments of $320 million during the next three years for Guyana's development efforts.

The funding exceeds initial expectations and closes the initially identified financing gap. Guyana's total financing needs for the next three years are estimated at $500 million. The funding is expected to be met through confirmed commitments of existing programs, support for new programs, increased private investments, and more bilateral debt relief.

The meeting for Guyana took place under the framework of the Caribbean Group for Cooperation in Economic Development (CGCED). The World Bank announced that the regular meeting of the CGCED will take place in Washington, D.C. on June 6-10, 1994, to examine development needs of Caribbean countries, including Guyana.□

West Bank and Gaza Strip Receive Start-Up Funds

Representatives from 24 donor countries and five international organizations met in Paris on January 27-28 and pledged $120 million in start-up and transitional funds for the Occupied Territories in 1994. The assistance covers most of a budget deficit of $158 million.

Delegates to the meeting broadly endorsed the Palestinian fiscal revenues and expenditure estimates for 1994. They commended the Palestinian Delegation for the significant progress in establishing a working Palestinian Economic Council for Development and Reconstruction. They also urged that the institution soon become fully operational in the Occupied Territories.□

PUBLICATIONS

World Bank Welcomes Revised Accounting System

A new book published on February 1 should provide economists and government officials with a much more accurate tool of economic analysis for both developed and developing countries, says a senior World Bank official.

"The new, revised *System of National Accounts* (SNA) offers a comprehensive method of accounting for what happens in virtually any given economy in the world today," says Ramesh Chander, the World Bank's statistical advisor. Chander is one of dozens of experts from a special inter-agency group of five institutions, including the Bank, who collaborated on revising the SNA during the past decade.

First introduced 50 years ago, the system served as a method of recording the various stocks and flows in economies and has since become the main accounting framework used in economic analysis. It was last revised 25 years ago.

Today's SNA has gained new life from the end of the Cold War and from the decision by most former communist countries to shed their old accounting system for the SNA. Now genuinely global in reach, the SNA can be used to compare economic data across almost all countries.

The new SNA addresses "today's concerns," says Chander. For example, the system brings a new focus to the role of people in economies. Those tools may be then used to identify sub-sectors of populations such as the poor, enabling decision-makers to craft more effective policies. Environmental concerns are also part of the new SNA.

More than 200 experts from around the world either contributed to or commented on the new SNA. The five institutions involved in the revision include the Bank, the United Nations, the Organization for Economic Cooperation and Development, the European Commission and the International Monetary Fund.

The new *System of National Accounts* is priced at $85. Journalists may receive complimentary review copies by writing on company letterhead to The World Bank, Room S-9037, 1818 H St., Washington, D.C., 20433, U.S.A. Fax: (202) 477-0549.□

WORLD BANK NEWS

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WORLD BANK NEWS

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FYR Macedonia Moves Ahead With Reforms

When the former Yugoslav Republic (FYR) of Macedonia declared independence in 1991, the young Balkan nation of 2.17 million people confronted a unique slew of problems.

Inside the country, FYR Macedonia struggled with a self-management economic system inherited from Yugoslavia that left behind bloated enterprises and ailing banks. Looking outward, the country faced an economic blockade to the south and a cut-off of trade in the north. Despite the obstacles, FYR Macedonia has tried to revive its faltering economy by launching a series of economic reforms. Although a good start, the reforms have proven limited.

M. Iannaccì

Michel Noel

Today, FYR Macedonia is embarking on a fuller, more ambitious economic reform program with help from a $40 million World Bank loan and a credit of SDR 29 million ($40 million) from the International Development Association (IDA), both approved on February 8. The assistance marks the first Bank operation in FYR Macedonia since the country joined the institution on December 30, 1993.

"FYR Macedonia is in a race against time," says Michel Noel, a division chief for country operations in the World Bank's Europe and Central Asia Region. "All members of the international community realize that if support to FYR Macedonia does not come soon, the re-

See MACEDONIA, *page 3*

PUBLICATIONS

Georgia Needs to Unleash Strong Economic Potential

Georgia's economy has suffered in recent years but if peace is restored and the country pursues the right economic reforms, it could see economic growth soon, says a new World Bank study.

"Georgia has several advantages that could allow it to make the transition to a successful market economy very quickly," says Chandrashekar Pant, a senior economist in the World Bank's Europe and Central Asia Region, and principal author of *Georgia—A Blueprint for Reforms*. "If Georgia stabilizes its economy, the country could enjoy robust economic growth after 1995."

Economic activity in Georgia, a country of 5.4 million people in the Caucasus region, has plummeted recently. The breakup of the Soviet Union in 1991 undermined Georgia's main source of imports and main markets for exports while the severe earthquake and harsh winter of 1991, and civil strife made the situation worse.

See GEORGIA, *page 2*

What role should agricultural research play in assisting developing countries? A new panel seeks an answer. **2**

Less than a month after realigning its currency, Cote d'Ivoire receives credits from IDA. **6**

Development agenda, page 5

Lending roundup, page 6

Georgia Could Turn Around Economic Decline

GEORGIA, *from page 1*

The result was a one-third drop in the country's economic output in 1990 and 1991, and a near one-half drop in 1992, says the study. Large credits and subsidies to bloated state enterprises also helped to fuel inflation, which reached some 1,400 percent by the end of 1992.

But Pant says Georgia could turn around the economic decline and bring in foreign investment if it resolves its political problems and puts its economic house in order.

First, Georgia needs to reduce the budget deficit and stem the inflationary flow of subsidies and credits it grants to keep inefficient state enterprises afloat. This, he says, is necessary to have a stable currency. Georgia has introduced a new currency, the Lari, but the unit has since collapsed and the ruble is once again used widely in the country. Ending the subsidies would free up resources for the private sector which must ultimately drive an economic recovery.

Second, Georgia should encourage free trade with its neighbors and other countries in the region. And third, Georgia should foster the development of its private sector through privatization and deregulation.

"For a small country like Georgia, there is no alternative to open trade. In the past, Georgia has occasionally tried to go it alone in trade. But international trade is key to Georgia's future economic growth," says Pant.

Normalizing economic relations with Russia is especially crucial, he says. In 1991, Georgia sold two-thirds of its exports to Russia and bought 60 percent of its import needs from its large northern neighbor. Russia also supplies Georgia with most of the country's oil and natural gas.

Putting the right economic policies and reforms in place will allow Georgia's population to harness its "strong entrepreneurial tradition," says Pant. That tradition has long supported a large underground economy in the country that has managed to supply residents with some goods and services despite many obstacles.

"Georgia has been historically known as a country of entrepreneurs. When you go to Georgia, you get the feeling that the people there have a unique ability to deal and to make transactions. That's a very important skill to have in a country that is making its way toward a market-based economic system," he says.

Agriculture is also an engine for Georgia's recovery. When it was part of the former Soviet Union, Georgia provided nearly all of the country's citrus fruits and tea crops and most of its grapes. Pant says tourism, especially on the Black Sea Coast, could also help infuse Georgia with badly needed revenues.

Georgia—A Blueprint for Reforms is priced at $9.95. Journalists may receive complimentary review copies by writing on company letterhead to The World Bank, Office of the Publisher, Marketing Unit, Room T-8054, Washington, D.C., 20433, U.S.A. Fax: (202) 676-0579.□

RESEARCH

Panel to Examine Role of Agricultural Research In Meeting Food Needs

An independent blue ribbon panel will examine the role of agricultural research in helping developing countries to feed their rapidly growing populations.

The panel was set up following last October's annual meeting of the Consultative Group on Agricultural Research (CGIAR) in Washington, when a decline in the level of financial resources pledged by donors gave rise to concern that the international agricultural research centers in the CGIAR faced tightening resources at a critical time.

Since its establishment in 1971, the CGIAR has attracted strong international support, but in recent years the level of support has stagnated. In light of this, the panel will assess how best to target research funds to help developing countries meet their urgent food security needs.

Members of the "Action Group on Food Security" are:

- David Bell, Professor, Harvard School of Population and Development Studies, and former Administrator of the U.S. Agency for International Development.
- Robert Blake, Chairman of the Committee on Agricultural Sustainability for Developing Countries, who will serve as Chairman of the Action Group.
- Jessica Tuchman Mathews, Senior Fellow, Council on Foreign Relations.
- Robert McNamara, former President of the World Bank.
- Peter McPherson, President of Michigan State University and former USAID Administrator.

The panel will examine the past and current contributions of the 18 international agricultural research centers that are members of the CGIAR and indicate what role the international centers can and should play in the years ahead.

"Now, just when we are faced with the double task of increasing the productivity of the major food crops and mounting new programs for the cost effective management of deteriorating soils and ever more scarce water, the ability of the centers to provide this help in a timely fashion appears threatened," warns World Bank President Lewis Preston. "I have asked the Group to report its findings and recommendations directly to me."

The panel will also report to the United Nations Development Programme (UNDP) and the UN Food and Agriculture Organization (FAO).

For more information, contact the Committee on Agricultural Sustainability for Developing Countries, in Washington, D.C. 20006; telephone: (202) 662-2546.□

Reforms So Far Have Been 'A Good Attempt'

MACEDONIA, *from page 1*

sult could be further economic collapse and uncontrollable social tensions."

IDA is the World Bank affiliate that lends to the poorest countries on concessional terms. The IDA and World Bank funds will pay for badly needed imports that FYR Macedonia needs while it carries out its economic reforms. The reforms, focusing on crucial areas of the economy, aim to restore economic growth and stabilize the country's economic structure on a sustainable basis.

M. Iannacci

Milan Cvikl

The funding will also help open the way to international assistance by giving new weight to a multi-donor effort assisting FYR Macedonia in clearing its share of the former Yugoslavia's debts. The effort, led by the Government of the Netherlands, is actively being pursued. FYR Macedonia's reforms are also backed by the International Monetary Fund through a drawing on the Systemic Transformation Facility.

Initial Reforms Offer "Mixed" Results

During the past two years, FYR Macedonia launched several economic reforms but the efforts have only yielded "mixed" success in shifting the economy to a market-based system, says Milan Cvikl, an economist in the Bank's Europe and Central Asia Region.

In April, 1992, the country introduced its own currency, the Macedonian Denar, and launched a stabilization program. The new unit helped FYR Macedonia avoid the hyperinflation plaguing some parts of the former Yugoslavia but inflation remained a problem. FYR Macedonia sped up its reforms in March 1993 but the effort is still plagued by the legacy of the former federation, says Cvikl.

"FYR Macedonia's reforms so far have been a good attempt but unfortunately, they have not been sustained," says Cvikl.

Under the new Bank- and IDA-supported reform effort, FYR Macedonia will carry out reforms in four key areas of the economy. The reforms focus on the financial sector, privatization, labor market and social policy issues.

In finance, the reforms aim to tighten banking credit policies by cutting back on subsidies to bloated, inefficient enterprises. When it was part of Yugoslavia, FYR Macedonia received huge subsidies for its development that enabled the country to enjoy loose subsidy arrangements. But with that funding gone, the country now has to adjust to the shortfall and make the best use of its scarce money.

In privatization, reforms will support a recently approved privatization law, improve governance of state enterprises and back needed laws that favor private sector development. FYR Macedonia has so far privatized some 400 enterprises but, under the new law, another 1,000 are expected to be sold to private ownership during the next five years.

The reforms also aim to help FYR Macedonia's workers adapt to a market economy and will implement active labor market programs to deal with high unemployment rates. The social safety net, especially in the areas of pensions, unemployment benefits and health care financing, will be made more cost-effective.

FYR Macedonia Shows Potential For Turnaround

FYR Macedonia's economy has suffered greatly from the blockades to its south and north in recent years. The country once sold half of its exports to Serbia but now the trade is completely cut off. Tourism has also faltered because of the region's volatility.

M. Iannacci

Ann Elwan

By 1992, FYR Macedonia's economic

See MACEDONIA, *page 4*

FYR Macedonia

Annual Growth Rate

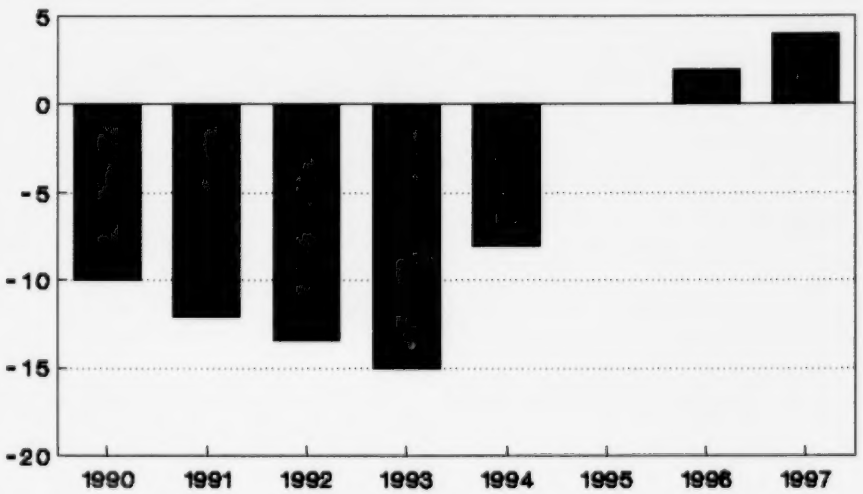


Chart above shows estimated and projected changes in FYR Macedonia's gross domestic product.
Source: FYR Macedonia authorities, World Bank estimates.

Economic Transformation Depends Partly On Opening Trade

MACEDONIA, *from page 3*

output fell to less than two-thirds of its 1989 level. For 1993, it's estimated to fall another 15 percent. The country's average income, already the lowest in the former Yugoslavia, has now fallen below $800.

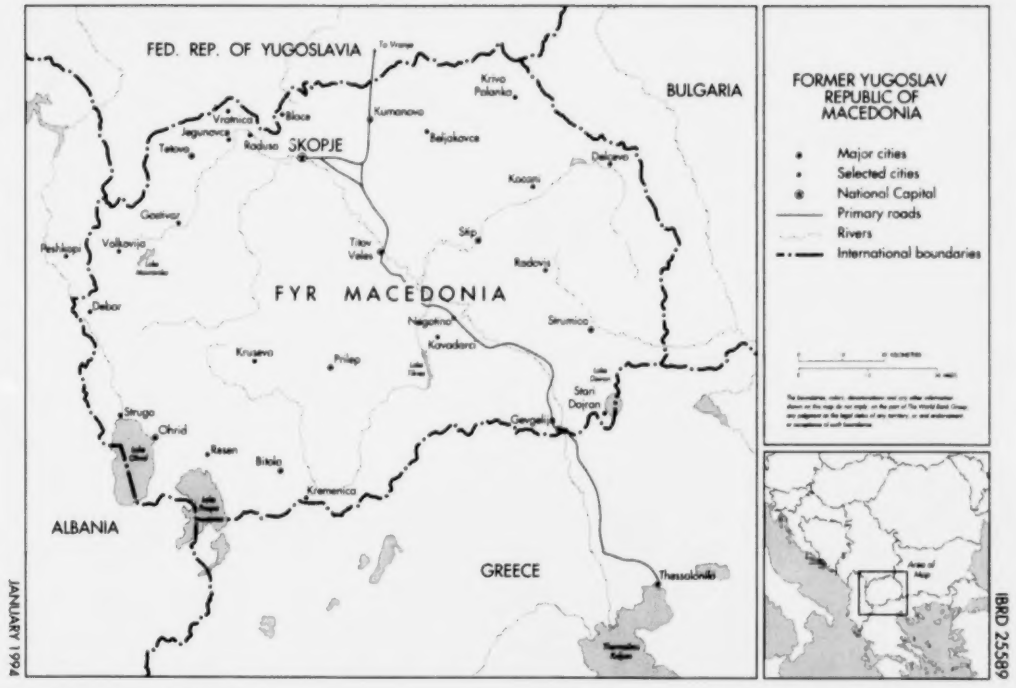
Despite its problems, FYR Macedonia has the potential to turn its economy around, says Ann Elwan, a senior country officer in the Bank's Europe and Central Asia Region.

"What FYR Macedonia needs now is international assistance and the right economic reforms," says Elwan. "With economic reforms in place, the country should not face an impediment to consistent and steady growth. FYR Macedonia has shown a deep understanding of the need for reform and they stress that they are dedicated to changing their economy."

FYR Macedonia offers several advantages for the country's economic future. A large agricultural base produces large quantities of vegetables, rice and tobacco while industry yields such goods as textiles and footware. Also, the country's well-educated workforce will be vital in helping the country transform to a market-based system.

Noel says FYR Macedonia can make the switch successfully if it can open up its trade routes. Future Bank lending may focus on helping the country improve its East-West trade route. Civil works, for example, could beef up the road corridor between the FYR Macedonian capital of Skopje and neighboring Albania. But first, FYR Macedonia needs help from the international community to get reforms underway.

"The risks of not helping FYR Macedonia are great because the turmoil in former Yugoslavia could spill over into FYR Macedonia," says Noel. "However, by acting fast and helping now, the Bank can support the country at a very critical moment. It can also mobilize the support of the international community to safeguard peaceful development in this small corner of the Balkans."□



Population: 2.17 Million

Life Expectancy (Females): 74 **(Males)**: 70

Annual Population Growth: 0.8 Percent

Infant Mortality Rate Per 1,000 Births: 28

Annual Economic Growth Rate (1993): -15 Percent

Inflation (1993): 350 Percent

Total Debt (end-1992): $846 Million

Date	Event	Sponsor	Location	Telephone
FEBRUARY				
14-18	Ninth Consultative Committee Meeting	Common Fund for Commodities	Amsterdam	(020)6646409
24-25	Pakistan Consortium Meeting	World Bank	Paris	(33-1)4069-3016
MARCH				
7-8	Ethiopia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
17-18	Sierra Leone Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
21-29	World Telecommunication Development Conference	ITU	Buenos Aires	(41-22)730-5111
22-23	Ministerial Conference on Drinking Water and Environmental Sanitation	Gov't of the Netherlands, Ministry of Housing, Physical Planning and Environment	Noordwijk, The Netherlands	(31)79 317 213
22-23	Zambia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
APRIL				
4-7	Fifth Global Warming Science and Policy International Conference and Expo	Global Warming International Center	San Francisco	(708) 910-1551*
4-9	21st World Conference of the Society for International Development	SID	Mexico City	(0939) 6591-7897
11-13	Annual Meeting of the Board of the Inter-American Development Bank	IDB	Guadalajara, Mexico	(202)623-3435*
12-14	AFARB/Sustainable Land Settlement (Riverblindness)	World Bank	Paris	(33-1)4069-3016
19-20	Bangladesh Aid Group Meeting	World Bank	Paris	(33-1)4069-3016
21-22	Uganda Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
26	Development Committee	World Bank	Washington	(202)473-1784*

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

IDA Credits Help Cote d'Ivoire's Reforms After Currency Overhaul

The International Development Association (IDA) approved three credits amounting to $250 million on February 8 to support economic reforms in Cote d'Ivoire.

Approval of the credits marks the World Bank Group's first response to a January 12 decision by the heads of state of 14 countries belonging to the West and Central African Monetary Unions—the "CFA countries"—to realign their currency and embark on a new program of reforms.

According to Franz Kaps, Operations Adviser in the World Bank's Africa Region, the credits "reflect the importance that the World Bank Group attaches to Cote d'Ivoire's adjustment program and the institution's confidence that the program will be implemented successfully."

The World Bank Group will consider similar programs for other CFA countries in the future, Kaps said.

The IDA credits replace previously approved loans from the International Bank for Reconstruction and Development (IBRD), the main lending arm of the World Bank Group of institutions. The Government of Cote d'Ivoire has requested the IBRD to cancel the earlier loans.

The new IDA credits include SDR 72.4 million ($100 million) in support for financial sector reforms, SDR 72.4 million ($100 million) for reforms in the human resources sector and SDR 36.2 million ($50 million) for reforms aimed at making the economy more competitive and changing business regulations.□

BOLIVIA Numerous towns and cities in Bolivia aim to improve their municipal management and the availability of essential urban services with help from a credit of SDR 30.1 million ($42 million) from the International Development Association (IDA). The project will reach some 2 million people, or 60 percent of Bolivia's urban population.

CAPE VERDE An IDA credit of SDR 5.7 million ($8.1 million) will support a public sector reform and capacity building project. The plan aims to improve key areas of civil service, administrative and operational procedures and the ability of the grassroots to sustain development.

CHINA Five regions in China aim to increase production and productivity over a wide area of degraded red soils with help from an IDA credit of SDR 108.4 million ($150 million). The IDA-backed project will integrate development of paddy, upland and forest areas in 217 watersheds in the provinces of Jiangxi, Fujian, Hunan, Zhejiang and the Guangxi Autonomous Region.

PERU A $34 million World Bank loan will support Peru's efforts at improving the basic health and nutritional status of people in four areas in the country. The project targets poor women and children by emphasizing primary health activities in areas suffering from extreme poverty.

THE PHILIPPINES A $211 million Bank loan aims to assist the Philippines in meeting the rapidly rising demand for power in the city of Cebu and the Visayas region by using indigenous and environmentally safer geothermal energy. The project will also promote private sector participation in power generation.

WORLD BANK NEWS

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